MORTGAGES — PRIORITIES — RIGHT OF JUNIOR MORTGAGEE TO RENTS AND PROFITS. — The plaintiff, a junior mortgagee, in an action to foreclose, had a receiver appointed to collect the rents and profits of the mortgaged premises. Later a prior mortgagee had the receivership extended to cover his foreclosure action, and asked that the rents and profits previously collected be applied in repairs and taxes. *Held*, that they need not be so applied, but belong to the plaintiff. *Madison Trust Co.* v. *Axt*, 130 N. Y. Supp. 371 (App. Div.).

The junior mortgagee takes by this decision merely what the mortgagor would have taken if left in possession. See JONES, MORTGAGES, § 667. As respects his immediate predecessor in line he is himself practically a mortgagor, as his claim rests entirely upon what that predecessor left to the mortgagor. See 1 HARV. L. REV. 55, 62. Accordingly he should be accountable to subsequent but not to prior encumbrancers for his collections. *Leeds* v. *Gifford*, 41 N. J. Eq. 464. *Contra*, *Holabird* v. *Burr*, 17 Conn. 556. Each prior mortgagee has the right to dispossess those behind him, but until he does so he has no right to the rents and profits. *Sanders* v. *Lord Lisle*, Ir. Rep. 4 Eq. 43. A Virginia case has held that a receiver must act in the interest of all parties and pay the various claimants according to their priorities, even though appointed on the application of a junior mortgagee alone. *Beverley* v. *Brooke*, 4 Grat. (Va.) 187. It seems fairer to give the junior encumbrancer the reward of his diligence. *Ranney* v. *Peyser*, 83 N. Y. 1. A receiver appointed at his instance ought, as in the principal case, to collect for his benefit alone, until the prior encumbrancer takes possession himself or has the receivership extended to cover his suit. *Howell* v. *Ripley*, 10 Paige (N. Y.) 43; *Washington Life Ins. Co.* v. *Fleischauer*, 10 Hun (N. Y.) 117.

PUBLIC SERVICE COMPANIES — REGULATION OF PUBLIC SERVICE COMPANIES — VALUATION OF WATER RIGHTS AND FRANCHISE AS BASIS FOR DETERMINING RATES. — A state statute required a board of supervisors to fix maximum water rates to be charged by irrigation companies, upon the basis of the value of the property used in the appropriation and furnishing of water. *Held*, (a) that a water right is not a property right upon which the plaintiff company is entitled to an income; (b) that the company's franchise is to be valued as a basis for returns. *San Joaquin & Kings River Canal & Irrigation Co.* v. *County of Stanislaus*, Circ. Ct., N. D. Cal. See NOTES, p. 173.

RECORDING AND REGISTRY LAWS — NOTICE BY RECORD — DELIVERY OF MORTGAGE TO RECORDING CLERK AS CONSTRUCTIVE NOTICE. — A chattel mortgage was not recorded until a month after it was mailed to the county clerk. After the clerk received the mortgage but before he recorded it, the defendant purchased the chattel in good faith. *Held*, that his title cannot be defeated by the mortgagee. *Bamberg* v. *Harrison*, 71 S. E. 1086 (S. C.).

By many statutes, delivery of a mortgage for record to the proper official constitutes constructive notice. *Throckmorton* v. *Price*, 28 Tex. 605; *Zeiner* v. *Edgar Zinc Co.*, 79 Kan. 406, 99 Pac. 614. Generally, even without an affirmative provision, the purchaser is charged with notice after such delivery. *Appleton Mill Co.* v. *Warder*, 42 Minn. 117, 43 N. W. 791. See *Parker* v. *Palmer*, 13 R. I. 359, 363. This view — that the mortgagee, having done all reasonably to be required of him, should not suffer from the clerk's remissness — is aided by decisions that recording protects the mortgagee although the record is destroyed. *Shannon* v. *Hall*, 72 Ill. 354; *Marlet* v. *Hinman*, 77 Wis. 136, 45 N. W. 953. Opposing decisions reason that the mortgagee occupies a better position for verifying the record than the purchaser. *State ex rel. Slocomb* v. *Rogillio*, 30 La. Ann. 833. *Cf. Terrell* v. *Andrew County*, 44 Mo. 309. And if